



April 30, 2013

## Single Family Housing Guaranteed Loan Program

# General News and Information

### Required Loan-Closing Packet Documentation

To receive the Loan Note Guarantee in a timely manner, please include all required documents in the closing package when submitting to USDA Rural Development.

Omission of requested documents will delay the issuance of the Loan Note Guarantee until required documents are received.

More information can be found on pages 39-41 of [Administrative Notice 4699](#).

## Processing and Closing Hot Topics

### Applicant's Name in Subject Line Helps Ensure Quick Turnaround

Please include the **applicant's name** in the **subject line of all emails**. If you are requesting a Conditional Commitment, please also write the word "Application" in the subject line. For Loan Note Guarantee requests please include the word "Closing."

USDA Rural Development continues to meet our 24-hour turn around time for Guaranteed Underwriting System (GUS) loans and 48 hours for manual applications. Please schedule your closings accordingly as we cannot guarantee "rush" requests.

### Net Family Assets with Cumulative Total of \$5,000 or More

Please remember that net family assets with a cumulative total of \$5,000 or greater must be considered in the annual income calculation.

The greater of the actual income derived from all net family assets or a percentage of the value of such assets based on the current passbook savings rate must be considered when calculating annual income. Verification documents must coincide with the type of asset identified for income purposes.

Section 1980.302(a) defines net family assets as the value of equity in real property, savings, IRAs, demand deposits, the market value of stocks, bonds, other forms of capital investments and business or household assets disposed of for less than fair market value for two years preceding the date of loan application (disposition of a trust considered, but not inclusion in a foreclosure or bankruptcy). 401K's are not considered in net family assets.

These figures must be accurately reflected in GUS to avoid a delay in receiving the Conditional Commitment. If these figures are not entered into GUS with a final submission, this will require GUS being released back for proper updating of the assets.

### GUS Accept Files Require Student Loan Verification and Document Retention

Student loans must be verified and documentation retained in the lenders file for all GUS Accept files.

We recommend entering in the "Notes Section" of the liabilities section in GUS "verified." This will avoid a call from Rural Development staff confirming the payment has been verified.

### Manual Underwrites Require Documents be Submitted and Retained

Loans with manual underwriting, including **Refer** and **Refer with Caution**, require documentation submission to Rural Development and also retained in the lender's file.

### Remaining Economic Life of a Home Documented on Appraisal

To be eligible for Rural Development financing, the term of the mortgage must be supported by the estimated Remaining Economic Life.

The appraiser is required to enter the effective age of the improvements, a range is acceptable. The effective age reflects the condition of a property relative to similar competitive properties. The effective age may be greater than, less than, or equal to the actual age. Any significant difference between the actual and effective ages requires an explanation in the "condition of property" comments section.

Also, because appraisers are certifying that Rural Development guaranteed rural housing properties conform to the requirements of Housing and Urban Development (HUD), they shall also complete the section of the URAR that addresses the Remaining Economic Life of the subject property.

Information is available in the frequently asked questions section of the [HUD Handbook](#), specifically pages 20 and 21.

## Administrative Notices and Forms

**Effective May 1, 2013 ALL origination files delivered to USDA Rural Development must strictly adhere to the newly released Administrative Notices (ANs) 4710 and 4714. The ANs contain significant changes in underwriting requirements.**

### Debt Ratio Waivers and Compensating Factors

The purpose of [Administrative Notice \(AN\) 4710](#) is to clarify Rural Development Instruction 1980-D, Section 1980.345(c), (7CFR §1980.345 (c)), with respect to debt ratio waivers that are supported by acceptable compensating factors.

This is a new subject AN and contains important information. There is no previous AN on this specific topics so please review carefully.

### Standardized Income, Origination and Closing Templates

The purpose of [AN 4714](#) is to provide lenders a standardized method of documenting and submitting supporting documentation to the Agency, when applying for loan note guarantees. Loan packets received must include all required documentation and comply with AN 4714 or the file will be suspended until documents are received. See attached templates.

**Effective with Conditional Commitment requests received on/after May 1, 2013.**

This AN replaces AN 4575 which expired on May 31, 2012.

## Upcoming Event

#### USDA Offices Closed

**Mon., May 27— Memorial Day**

## Sign up for ListServ

ListServ is a **FREE** email service that delivers instant program updates for Guaranteed Loan Origination, Guaranteed Underwriting System (GUS) and Guaranteed Loan Servicing.

[Sign up](#) by checking the updates you wish to receive.

### Quick links

[Iowa's RD Home Page](#)

[Local Office Contacts](#)

[Single Family Housing Information](#)

[Property and Income Eligibility](#)

### State Office Contact Information

210 Walnut Street, Room 873  
Des Moines, Iowa 50309  
Phone: 515-284-4666  
Fax: 515-284-6668

### Guaranteed Rural Housing Staff

[Shannon Chase](#)

Housing Program Director  
515-284-4493

[Mary Beth Juergens](#)

Housing Specialist  
515-284-4487

[LindaKay Rhoades](#)

Housing Specialist  
515-284-4723

[Rachael Christensen](#)

Housing Specialist  
712-243-2107 Ext. 119

[Judy Geiken](#)

Housing Specialist  
641-648-5181 Ext. 405

[Heather Harms](#)

Housing Technician  
641-648-5181 Ext. 400

[Kim Hinkel](#)

Housing Specialist  
712-243-2107 Ext. 121

[Glenda Schroeder](#)

Housing Technician  
563-886-6006 Ext. 129

[Desirae Willms](#)

712-546-5419 Ext. 126  
Housing Technician

[Contact us](#) to request a change to your information or to be removed from our list.



EQUAL HOUSING OPPORTUNITY